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FINAL REPORT PURSUANT TO SECURITY COUNCIL RESOLUTION 900 (1994)

I. INTRODUCTION

1. In paragraph 3 of its resolution 900 (1994) of 4 March 1994, the Security Council requested the Secretary-General to appoint, for a limited period, a senior civilian official who would draw up an overall assessment and plan of action for the restoration of essential public services in the various opstinas of Sarajevo, other than the city of Pale, and who would assist the Government of the Republic of Bosnia and Herzegovina, in close coordination with all relevant local authorities, in the implementation of the plan. In accordance with that resolution, the Office of the Special Coordinator for Sarajevo was established in April 1994 in order to mobilize and coordinate international support for the restoration of essential public services in Sarajevo. On 29 March 1994, I appointed Mr. William Eagleton to the position of Special Coordinator. During the following two years, the Special Coordinator prepared a Plan of Action and assisted the Government of Bosnia and Herzegovina in pursuing the various projects of the Plan of Action. As required by the resolution, a voluntary trust fund was established to receive contributions from Governments and other donors. After two years of operation, often in the most difficult circumstances, the Office closed on 30 April 1996, and its remaining functions have been transferred to appropriate successor organizations. This report is submitted to apprise the Council of the work of the Office of the Special Coordinator during the last two years and of the arrangements made to ensure continuity of its functions following its closure.

II. IMPLEMENTATION OF THE PLAN OF ACTION TO RESTORE ESSENTIAL PUBLIC SERVICES IN SARAJEVO

2. During the initial months of the Special Coordinator's operations, progress was rapid. On 25 May 1994, an organizational donors' conference was held at Vienna. On 1 June 1994, the Plan of Action called for in resolution 900 (1994) was published under the title "Restoring life to Sarajevo". The Plan identified 144 projects across 14 sectors, including electricity, water, gas, energy and heating, civil engineering, health, municipal services and city development, and education. Cost estimates amounted to some US$ 254 million for urgent work and US$ 285 million for transitional projects. At the pledging conference held in

New York in June 1994, 27 donor States pledged $95 million for the Plan of Action, including more than $20 million for the United Nations Trust Fund. Of these pledged funds, $18.1 million have been deposited in the Trust Fund, while $3.2 million are still outstanding.

3. Both Security Council resolution 900 (1994) and the Plan of Action were based on the assumption that there would be a stable cease-fire and freedom of movement into the city for the materials and personnel required to implement restoration works. Indeed, it was the positive developments in February 1994, and in particular the agreements on a cease-fire and measures related to heavy weapons in and around Sarajevo that were concluded on 9 February 1994, that had prompted the establishment of the Office of the Special Coordinator. Unfortunately, these assumptions turned out to be overly optimistic. Despite an encouraging start, the rapid deterioration of the security situation following rejection by the Bosnian Serbs of the Contact Group Plan in June 1994 severely hampered implementation of the projects identified in the Plan of Action. This, rather than a shortage of funds, was the major impediment to the rapid realization of the ambitious goals set out in the Plan of Action.

4. In July 1994, the Bosnian Serb side suspended an agreement that had permitted some supplies to reach the city across the airport. For almost all the time between then and the Dayton Peace Agreement of November 1995 the work of the Office was dominated by problems of access to the city, with the airport and land routes effectively closed for extended periods. Furthermore, the Bosnian Serb side at various times reduced or completely cut supplies of water, gas or electricity to the city. The Office of the Special Coordinator played a major role in coordinating the collective effort to keep the utilities and other essential functions operating. Contacts with the parties to the conflict were maintained, and this helped to ensure a fairly steady, though not always adequate, flow of gas, water and electricity during the winter months. In addition, bringing the parties together to discuss the sharing of utilities helped foster a more conducive climate for eventual reconciliation and prepared the ground for the rapid restoration of utilities and other essential services once the peace settlement had been achieved. At the same time, the Office mobilized international financial resources and technical know-how to develop alternative emergency sources of water and energy to bridge those periods when the supplies were interrupted for political reasons.

5. The Office of the Special Coordinator also provided the focal point and formal structures through which the restoration effort was coordinated, and where interested parties could be consulted about priorities and be informed of progress. The work of the Office was carried out through seven action groups, encompassing all 14 sectors of the Plan of Action. Each action group was headed by a manager, who worked in conjunction with a counterpart from the Directorate of the Reconstruction and Development of Sarajevo, an organ of the Government of the Republic of Bosnia and Herzegovina, and in cooperation with all relevant local authorities. A coordination committee, bringing together the Government, municipal officials, the Directorate of the Reconstruction and Development of Sarajevo, members of the diplomatic community and representatives of the United Nations and other international organizations and non-governmental organizations, met every two or three weeks in Sarajevo to discuss and coordinate work on the Plan of Action. The dialogue thus established with the

international donor community was essential in sustaining the restoration effort and in attracting financial support for the projects in the Plan of Action. Further donor meetings were held at Vienna in September 1994 and June 1995. Two years after the opening of the Office of the Special Coordinator, large parts of the Plan of Action have been implemented or are under way, with a concomitant improvement in the quality of life for the citizens of Sarajevo. The Plan of Action has also been the starting-point for much of the reconstruction work in Sarajevo, which is now being developed by the World Bank and the European Community.

6. Since the signing of the Dayton Peace Agreement in Paris on 14 December 1995, implementation of the Plan of Action has accelerated considerably. As of 15 April 1996, nearly $100 million has been made available for 285 projects. In addition, assistance in kind by the United Nations Protection Force (UNPROFOR) and, more recently, the Implementation Force (IFOR) military engineering assets, valued at $30 million at least, has been provided by troop-contributing nations, mainly for emergency repairs to utilities installations, roads and bridges. Many of these projects are ongoing and will require further funding by the international community as part of the reconstruction plan.

7. The Office of the Special Coordinator has prepared a detailed technical report on the status of the implementation of the Plan of Action as of 15 April 1996. This report identifies work in progress, the resources available and the agencies responsible for implementation of the various projects, together with the outstanding projects that need new resources. The report, a valuable tool for those involved in the future reconstruction of Sarajevo, has been forwarded to the World Bank, the European Commission, representatives of donor States, international agencies, governmental representatives, city authorities, non-governmental organizations and other interested parties.

8. Although a large part of the work under the Plan of Action has been implemented by donor States through bilateral arrangements, a significant amount has been carried out through the United Nations Trust Fund administered by the Office of the Special Coordinator. The establishment of effective financial control mechanisms for the Trust Fund to provide accountability, while allowing funds to be disbursed quickly enough to meet the urgent needs of the city of Sarajevo, presented a considerable initial challenge. However, the systems developed enabled projects to be evaluated and funded within an acceptable time, and also permitted the necessary consultations with donor States. As already noted, these States pledged nearly $20 million to the Trust Fund, making possible the implementation of 55 projects across all sectors of the Plan of Action, particularly in the utilities sectors and in the restoration of health and educational buildings.

9. Additionally, a quick impact fund was established in 1995 to provide small grants (not exceeding $15,000) for emergency works. Some $2.4 million have been disbursed through the quick impact fund on nearly 200 inexpensive but vital projects. During the first few months of 1996, the quick impact fund provided a bridge between the original restoration work and the current, much larger, reconstruction efforts. During the period when Sarajevo was being reunited under Federation control, the quick impact fund provided virtually the only

source of immediate funding for projects aimed at repairing vital communications and transport links and utility supplies, and reviving municipal services. The quick impact fund also demonstrated the commitment of the international community to a unified, multi-cultural and multi-ethnic Sarajevo by expeditiously funding a variety of projects for all communities.

10. Since January 1996, the Office of the Special Coordinator has been assisting the Office of the High Representative by convening a series of meetings of sub-groups of the Joint Civilian Commission for Sarajevo to discuss modalities for reuniting the city in terms of utilities and essential public services. The Office has also been actively involved in discussions with the World Bank and the European Commission to ensure a smooth transition to the reconstruction phase.

11. The activities of the Office, which consisted of eight United Nations officers including the Special Coordinator, were enhanced by the willingness of donor States to provide technical staff by way of secondment. The International Management Group, funded mainly by the European Community Humanitarian Office, the United Kingdom-Overseas Development Agency, the Governments of Sweden, France and Italy, UNPROFOR, the World Health Organization, the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Region Ile de France, have all provided the Special Coordinator with experts to manage the work in the various sectors of the Plan of Action. Without this assistance from many sources, the Office would not have had the technical capacity required for its operations.

III. OBSERVATIONS

12. The Security Council, in its resolution 900 (1994), called upon the Secretary-General to appoint the Special Coordinator for a limited period. During most of that period, the parties remained engaged in armed conflict and Sarajevo was effectively under siege. It is widely acknowledged in Sarajevo that the joint international effort to keep essential utilities functioning and begin the restoration of the city's physical infrastructure made a real difference by enabling the citizens of Sarajevo to survive, particularly during winter months, and by giving them hope for the future. The signing of the Dayton Peace Agreement opened a new era in which the restoration of the essential public services in Sarajevo has been supplanted by a comprehensive international effort to help reconstruct the whole of the country.

13. The work initiated by the Office of the Special Coordinator will continue after the closure of the Office, as implementing agencies and contractors complete Trust Fund projects. The management of the Trust Fund, including the quick impact fund, has been transferred to the Special Representative of the Secretary-General and Coordinator of United Nations Operations in Sarajevo. He will be assisted by the Special Coordinator's programme officer and two locally recruited assistants to ensure proper accounting, reporting and continuity through to project completion. The costs of this small team will be met from the support costs generated by Trust Fund projects. The status report of 15 April 1996 and files of the Office of the Special Coordinator have been made available to those international financial institutions and aid organizations

that are working in Sarajevo. Thus the closure of the Office of the Special Coordinator will occur as part of a smooth transition from restoration to reconstruction in Bosnia and Herzegovina.

14. In conclusion, I wish to place on record my appreciation for the sterling performance of Mr. William Eagleton and his staff. Their competence and dedication helped the citizens of Sarajevo to survive the most difficult period of that city's history. I also pay tribute to the Governments and organizations that have so generously contributed to the Plan of Action.